



Press Release

FOR IMMEDIATE RELEASE

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ERANZ WELCOMES DROP OVERALL IN NUMBER OF CUSTOMER COMPLAINTS

The Electricity Retailers' Association (ERANZ) welcomes another drop in the overall number of customer complaints, and those requiring intervention by the Utilities Disputes Commissioner, as outlined in Utilities Disputes's (UDL) latest Annual Report.

As reported UDL's Annual Reports, the total number of electricity complaints fell modestly between 2016/17 and 2017/18 (from 2,103 to 2,053) and significantly since 2012, when there were 2,707.

In terms of deadlock complaints there were 141 in the whole of 2017/18, a rate of 11.75 per month, compared to 146 in 2016/17, a rate of 12 per month, and 190 in 2012/13, a rate of 16 per month. To put this in context, according to the Electricity Authority (EA) there are 1.8 million retail installation connection points (ICP) in New Zealand. Assuming each complaint was filed for an individual retail ICP, that means deadlocks accounted for just 0.008 percent of all active mass market ICPs.

“Our members are really proud of the work they have done to achieve a rise in customer satisfaction overall, says Jenny Cameron, CE, ERANZ. This is evidence of the effort power companies are making to move to a more customer-centric model.”

“Some of our newer members have built their models around the customer and our established members are actively listening to customers and transforming their systems to better meet their customer’s needs, says Cameron. Customer satisfaction is a key priority for all of our members,” she says.

The number of customer complaints concerning electricity and gas retailers that were considered by UDL is running at the lowest level since records began in 2012 and not all deadlocked cases reported by UDL were for power companies. Of the 141 deadlocked cases, 77 were for power companies (54%) and 64 were for lines companies (46%).

“Deadlocked complaints are those that cannot be resolved by customer, company or UDL negotiation, and are referred to the UDL Commissioner to make a recommendation,” says Cameron.

“The decrease in complaints being considered by UDL is evidence of a much-improved experience for all parties, especially customers.

“The decrease in complaints was also reflected in recent statistics from the Commerce Commission.

“Power companies have been working hard for a number of years to resolve complaints up front, including utilising the three-way facilitated teleconferences with the customer, the power company and UDL, so it’s gratifying to see these investments continuing to pay off.

“Of note is ConsumerNZ’s latest Energy Provider Survey, which confirmed an improving trend. Their 2018 survey found that 83% of respondents were (very or somewhat) satisfied with their power company’s service. Only 8% were dissatisfied. This is a very positive response for our sector.

“There’s always more that can be done, and continual improvement is part of what power companies are striving to do,” says Cameron. One area that we need to focus on is related to billing complaints, says Cameron. “There will always be occasions when issues arise and problems occur, but the important matter is that power companies continue to deliver improved service and work with UDL to continually reinforce confidence and trust in the power sector to resolve issues for customers.”

ENDS

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About ERANZ

The Electricity Retailers Association of New Zealand was established in August 2015 to represent the electricity retail industry on important sector-wide issues such as delivering value to stakeholders and consumers, and supporting the continued development of an open, competitive, sustainable and effective electricity market for the benefit of New Zealanders.

ERANZ members commit to a code of conduct that stresses putting the interests of customers at the heart of what they do. Customers facing issues with winter electricity bill payments are encouraged to talk openly with their power company, which will be able to offer advice and assistance, such as connecting them to appropriate support services.

Sources available on request.

ADDITIONAL INFORMATION

Overall fewer complaints but complaints about the bill have increased

Overall, total number of complaints about energy have gone down, however, the percentage within that related to billing has increased from 50% to 60%. The reason for this increase is unclear. But we do know that because the numbers in total are low (2,053 in 2017/18) any change represented as a percentage of that tends to look worse than it really is. For example, as recorded in the UDL Annual Report in 2015/16 the percentage of complaints related to billing was 55.1%, 2016/17 that was 50.7%, and in 2017/18 it was 60.4%.

Power Companies continually improving customer service

Customer service teams are the backbone of the companies, looking after their customers every day. Most issues that electricity customers have are resolved with their retailer as the first point of call. Of the complaints received by UDL, most are settled before reaching deadlock and needing the Commissioner to make a recommendation.

The decrease in deadlocked complaints accepted for consideration by UDL reflects not only the proactive effort by electricity retailers to improve their communications, but also goes hand in hand with refining billing and notification systems to ensure they are more user-friendly and boosting staff training and encouraging them to resolve complaints and problems as soon as they are received.

As UDL note in their Annual Report, “the main factor contributing to fewer cases being accepted for consideration is an increasing focus among providers on resolving complaints after deadlock, but before acceptance.”

It costs power companies to have a case go to UDL, around \$640 per case, therefore they are incentivised to resolve cases as quickly as possible and to the customer’s satisfaction. Often the charge to have a case considered by UDL is higher than the amount being queried.

Low complaints match Commerce Commission numbers

The decline in complaints about electricity retailers is in line with statistics from last year that show electricity retailers were some of the least complained about to the Commerce Commission. Telecommunications sector companies topped the list with 603 complaints in the year to 30 June 2017, followed by domestic appliance retail (403), motor vehicle retail and sales (359), grocery products and electricity retail (155), and supermarkets (150).

Access to information

All electricity retail and network companies must be members of UDL and are required to display contact numbers of their customer service officers and of UDL on their invoices and websites, and let customers know the UDL services that are available to them.

Measuring Satisfaction

UDL only tracks deadlocked complaints, not overall satisfaction. Most customer enquiries are dealt with satisfactorily by their power company and do not need UDL to make a decision on the issue. Power companies have been working hard to make sure that issues are raised early, and resolved early. The more power companies and staff are empowered and informed to resolve issues for customers, the better.

ConsumerNZ's latest Energy Provider Survey confirmed this overall trend. Their 2018 survey found that 83% of respondents were (very or somewhat) satisfied with their power company's service. Only 8% were dissatisfied. This is a very positive response for our sector.

"Of course, there's always more that can be done, and continual improvement is part of what retailers are striving to do," said Cameron. "There will always be occasions when issues arise and problems occur, but the important matter is that power companies

continue to deliver improved service and work with UDL to continually reinforce confidence and trust in the power sector to resolve issues for customers.”

“The Winter Energy Payment (WEP) could go towards purchases that make a long-term benefit - insulation, heavier curtains, floor coverings, newer heating appliances, LED lights - all will help to lock in the warmth and ensure you get more value out of your electricity and reduce costs in the long-run,” says Camerson. Alternatively, people may wish to use it to pay off a bill that has been difficult to get on top of.

Power companies work with customers every day to resolve issues

